DOCUMENT RESUME

ED 410 915   IR 018 477

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TITLE   Achieving Continuous Improvement: Theories that Support a
              System Change.
PUB DATE   1997-00-00
NOTE   4p.; In: Association of Small Computer Users in Education
              (ASCUE) Summer Conference Proceedings (30th, North Myrtle
              Beach, SC, June 7-12, 1997); see IR 018 473.
PUB TYPE   Reports - Descriptive (141) -- Speeches/Meeting Papers (150)
EDRS PRICE   MF01/PC01 Plus Postage.
DESCRIPTORS   Administrative Organization; *Change; Information Theory;
              Management Teams; *Organizational Development; *Performance
              Technology; Problem Solving; *Strategic Planning; *Systems
              Analysis
IDENTIFIERS   *Continuous Improvement; *Open Systems Theory

ABSTRACT
        Focusing on improvement is different than focusing on
quality, quantity, customer satisfaction, and productivity. This paper
discusses Open System Theory, and suggests ways to change large systems.
Changing a system (meaning the way all the parts are connected) requires a
considerable amount of data gathering and analysis. Choosing the proper
starting point can be critical to the success of the total change process.
Change can begin with: the top management team; a pilot project that works
within the current system; ready subsystems and hurting subsystems; the
reward system; training and education; or creating a critical mass in the
employment population to be receptive to change. All events, processes,
problems, and successes are integrally linked to each other. Parts of
organizations cannot be taken out like parts of machines, repaired or
replaced, and then put back in. In theory, the dynamic effect of
relationships and events will eventually reach every aspect of an
organization. (SWC)

Achieving Continuous Improvement:
Theories that Support a System Change

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Abstract

Focusing on improvement is different than focusing on quality, quantity, customer satisfaction, productivity, etc. If an organization desires to choose a new focus, achieving the goals of that focus requires an understanding of some basic organizational theories.

The theories of socio-technical organizational design are common to Deming's 14 points to quality, total quality management, re-engineering, and continuous improvement. This presentation will highlight basic organizational theories that are key to successful changes in work structures and goals. Targets for change will also be listed as beginning points.

An axiom: The only thing constant is change.

There seems to be agreement that in order to improve change must occur, but what to change? Traditionally, whenever a problem arose it would go through the process of being identified, and then treated in isolation from all other departments or functions of an organization. Experience has taught us that this method of effecting change not only does not work but may only serve to aggravate the problem further.

Open System Theory

Ludwig Von Bertalanffy encourages us to take the broadest view of how to change by suggesting that organizations are like living systems. The Open System Theory suggests that the relationship of living systems to their environment is similar to the relationship of organizational systems to their environment (social, business and technical) (Scheim, 1985).

Approaching organizations from a systems point of view means that they will be seen as arrangements of interrelated parts open to influence from the outside world. The term interrelated means that there are many and complex connections among the parts of the system. Arrangements means that the connections are not haphazard, but planned and intentional. The idea that organizations are open to influence from the external environment is not necessarily new, but the idea of using it as a source for problem solving is.

What happens to an organization does not end at the building walls or the property fence. Much like viruses attack living systems, organizations become sick due to external forces too.

Change the System

"All organizations are perfectly designed to get the results they get. To get better results, you need to improve the design on the organization," Arthur Jones (Hanna, 1988, p. 38).

Organizations are typically performing at their maximum level, no matter how high or low that may be. Solving problems within the existing structure only results in minor improvements. If significant improvements are desired, then the system's arrangements (organizational design) must be altered to allow the system to perform at a higher level.

Using the Open System Theory, improvement and changing the arrangements should not be limited to the internal structure, but should also be made in the way the organization relates to its external environment.

Problems in an organization, even small ones, are affected by the system and in return affect the system. So to make effective change, all the persons who have an interest in seeing the problem solved, internal and external persons, should be .represented in the change process. The system, meaning the way all the parts are connected, is the target for change. Deming's second point of his 14 management method points is to adopt a new philosophy, and after all, the approach taken to design organizations is based on management philosophies. So changing the system is really changing our view of how organizations should be arranged.

In stating this second point, Deming is fairly strong with his words,

> Structures have been in place in management that will have to be dismantled. They have not been suitable for two decades. They never were right, but in an expanding market you couldn't lose. The weaknesses showed up when competition came in. We will have to undergo total demolition of American style of management.

> Management offered all kinds of excuses. There was every kind of thing in this world, except the awful truth that Americans were beaten. Where they have been beaten is in the management (Walton, 1986, p. 59).

Large System Change Beginning Points

There is no one best place to begin to change a system. Finding the starting point is difficult and requires a considerable amount of data gathering and analysis. This analysis is done in an effort to assure that there is a match between how to change and what the organization is ready to do. Choosing the proper point can be critical to the success of the total change process. Change can begin with:
- the top management team,
- a pilot project that works within the current system,
- ready subsystems, intact groups that are more receptive to change, -hurting subsystems, groups whose problems are so painful that almost any change is better than the current situation,
- the reward system,
- training and education, or
- creating a critical mass in the employment population to be receptive to change (Beckhard, 1978).

Summary

All events, processes, problems and successes are integrally linked to each other. To affect one is to affect all. Unlike organizational theories of the past, parts of organizations cannot be taken out like parts of machines, repaired or replaced and then put back in. In theory, the dynamic effect of relationships and events will eventually reach every aspect of an organization expanding like the ripples from a pebble tossed into a pond. The choice is to manage the arrangements so that the waters are smooth, or chaos and turmoil can take over and create unnavigable passages. Through which organization would you rather paddle your canoe?

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